

IB 04-235

Intelsat MTC LLC

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**Federal Communications Commission****INTERNATIONAL SECTION 214 APPLICATION  
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Enter a description of this application to identify it on the main menu:

Application 6: Assignment of International Section 214 Authorization from Lockheed Martin Global Telecommunications to Intelsat MTC LCC

**1. Applicant**

Name: Intelsat MTC LLC Phone Number: 202-944-7891  
DBA Name: Fax Number: 202-944-7860  
Street: 3400 International Drive, N.W. E-Mail: robert.mansbach@intelsat.com  
City: Washington State: DC  
Country: USA Zipcode: 20008 -3006  
Attention: Robert A Mansbach

**2. Contact**

Name: Rosemary C. Harold Phone Number: 202-719-4901  
Company: Wiley Rein & Fielding LLC Fax Number: 202-719-7049  
Street: 1776 K Street, N.W. E-Mail: rharold@wrf.com  
City: Washington State: DC  
Country: USA Zipcode: 20006 -  
Contact Title: Relationship: Legal Counsel

**3. Place of Incorporation of Applicant Delaware****4. Other Company(ies) and Place(s) of Incorporation****5. Service Type(s) (check all that apply)**

- ☐ Global or Limited Global Facilities-Based Authority (Section 63.18(e)(1))  
☒ Global or Limited Global Resale Authority (Section 63.18(e)(2))

- ☐ Individual Facilities-Based Service (Section 63.18(e)(3))  
☐ Individual Switched Resale Service (Section 63.18(e)(3))  
☐ Individual Facilities-Based and Resale Service (Section 63.18(e)(3))  
☐ Switched Services over Private Lines (ISR) (Section 63.16 and/or 63.18 (e)(3))  
☐ Inmarsat and Mobile Satellite Service (Section 63.18(e)(3))  
☐ Overseas Cable Construction (Section 63.18(e)(3))  
☐ Individual Non-Interconnected Private Line Resale Service (Section 63.18(e)(3))  
☐ Other (Section 63.18(e)(3))

6a. Is a fee submitted with this application?

☒ If Yes, complete and attach FCC Form 159.

If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114).

☐ Governmental Entity ☐ Noncommercial educational licensee

☐ Other (please explain):

6b. Fee Classification CUT

7. Destination Country(ies) (e.g., "Country X", "All international points", "All international points except Country X and Country Y" or "Countries X, Y, and Z only".) All international points except points on the exclusion list

8. Caption (description of authority requested, e.g., Application for Authority to Provide International Facilities-Based and Resold Services to All International Points Except Country X)

Application for Assignment of Global or Limited Global Resale International Section 214  
Authorization from Lockheed Martin Global Telecommunications LLC to Intelsat MTC LLC.

9. Does the applicant request streamlined processing pursuant to 47 C.F.R. Section 63.12? If yes, include in Attachment 1 a statement of how the application qualifies for streamlined processing.

☒ Yes ☐ No

10. If applying for authority to provide switched services over private lines pursuant to Section 63.16, provide the required showing in Attachment 1.

**Applicant certifies that its responses to questions 11 through 17 are true:**

11. If the applicant is a foreign carrier, or is affiliated (as defined in 47 C.F.R. Section 63.09(e)) with a foreign carrier, provide in Attachment 1 the information and certifications required by Section 63.18(i) through (m).

12. Does the applicant seek authority to provide service to any destination described in paragraphs (1) through (4) of Section 63.18(j)? If yes, list those destinations in Attachment 1 as ☐ Yes ☒ No a response to question 12.

13. Does the applicant seek authority to provide service to any destinations other than those listed in response to question 12 where it has an affiliation with a foreign carrier? If yes, list those destinations in Attachment 1 as a response to question 13. ☐ Yes ☒ No

14. [Section 63.18(h)] In Attachment 2, provide the name, address, citizenship and principal business of the applicant's ten percent or greater direct and indirect shareholders or other equity holders, and identify any interlocking directorates.

15. In Attachment 1, respond to paragraphs (d), (e)(3) and (g) of Section 63.18.

16. By checking Yes, the undersigned certifies that neither applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes. ☒ Yes ☐ No

17. By checking Yes, the applicant certifies that it has not agreed to accept special concessions

directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.

☒ Yes ☐ No

### CERTIFICATION

18. Typed Name of Person Signing Susan Miller	19. Title of Person Signing President	
<b>WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT</b> (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).		
20. 1: Assignment and Exh.1	2: Attachment	3: Attachment

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Menu

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

\_\_\_\_\_  
In the Matter of )  
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 )

Lockheed Martin Global  
Telecommunications, LLC )  
 )  
 )

File No. \_\_\_\_\_

And )  
 )  
 )

Intelsat MTC LLC )  
 )  
 )

Application for Assignment Pursuant to )  
Section 214 of the Communications Act )  
of 1934, as Amended )  
\_\_\_\_\_ )

**JOINT APPLICATION FOR ASSIGNMENT OF  
INTERNATIONAL SECTION 214 AUTHORIZATION**

Lockheed Martin Global Telecommunications, LLC ("Assignor") and Intelsat MTC LLC ("Assignee") (collectively "the Applicants"), by their undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Sections 63.18 and 63.24 of the Commission's Rules, 47 C.F.R. §§ 63.18 & 63.24, hereby request authority for assignment of an international Section 214 authorization held by Lockheed Martin Global Telecommunications, LLC to Intelsat MTC LLC.<sup>1</sup> For the reasons set forth in

<sup>1</sup> Simultaneous with this Application, the Applicants are filing applications for assignment of several earth station licenses, a private land mobile radio license, and a satellite license. For a complete description of the parties to the transaction, the transaction, and the public interest rationales for why the transfer should be permitted, please refer to Intelsat LLC and Intelsat MTC LLC, and COMSAT General Corporation, Lockheed Martin Global Telecommunications, LLC, and COMSAT New Services, Inc.'s Joint Application for Consent to Assignments and Petition for Declaratory Ruling under Section 310 of the Communications Act of 1934, as Amended (attached hereto as Exhibit 1). Attachment 1 to Exhibit 1 identifies the licenses and authorizations that are part of this transaction and Attachment 2 to Exhibit 1 identifies the relevant FCC forms and applications that are being filed concurrently with this

Section p below, Applicants respectfully request streamlined treatment of this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12.

**INFORMATION REQUIRED BY SECTIONS 63.18 AND 63.24  
OF THE COMMISSION'S RULES**

(a) Name, address and telephone number:

Assignor: Lockheed Martin Global Telecommunications, LLC  
Renata J. Baker  
Authorized Representative  
6801 Rockledge Drive  
Bethesda, MD 20817  
Tel: 301-897-6914  
Fax: 301-897-6587

Assignee: Intelsat MTC LLC  
Susan Miller  
President  
3400 International Drive, N.W.  
Washington, DC 20008  
Tel: 202-944-7891  
Fax: 202-944-7860

(b) Assignor: Lockheed Martin Global Telecommunications, LLC is organized under the laws of the State of Delaware.

Assignee: Intelsat MTC LLC is organized under the laws of the State of Delaware.

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(Continued . . .)

Section 214 application. Attachment 3 provides the Assignees' ownership information, including foreign ownership.

(c) Correspondence concerning this application should be sent to:

(For the Assignor)

Jennifer Warren  
LOCKHEED MARTIN CORPORATION  
1550 Crystal Drive, Suite 300  
Crystal Square 2  
Arlington, VA 22202  
Tel: 703-413-5970  
Fax: 703-413-5908

Joan M. Griffin  
KELLEY DRYE & WARREN LLP  
8000 Towers Crescent Drive, Suite 1200  
Vienna, VA 22182  
Tel: 703-918-2320  
Fax: 703-918-2450

with copies to:

Renata J. Baker  
Authorized Representative  
LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS, LLC  
6801 Rockledge Drive  
Bethesda, MD 20817  
Tel: 301-897-6914  
Fax: 301-897-6587

(For the Assignee)

David B. Meltzer  
General Counsel & Executive Vice President for Regulatory Affairs  
Robert A. Mansbach  
Assistant General Counsel  
INTELSAT GLOBAL SERVICE CORPORATION  
3400 International Drive, N.W.  
Washington, DC 20008  
Tel: 202-944-7891  
Fax: 202-944-7860

Rosemary Harold  
Jennifer Hindin  
WILEY REIN & FIELDING LLP  
1776 K Street, N.W.  
Washington, DC 20006  
Tel: (202) 719-7000

Fax: (202) 719-7049

with copies to:

Susan Miller  
President  
INTELSAT MTC LLC  
3400 International Drive, N.W.  
Washington, DC 20008  
Tel: 202-944-6800  
Fax: 202-944-7860

(d) Assignor: Lockheed Martin Global Telecommunications, LLC holds a global or limited global resale service license granted November 15, 2000 in File No. ITC-214-20001016-00636.

Assignee: Intelsat MTC LLC does not hold any international Section 214 authorizations.<sup>2</sup> This company's ultimate parent company, Intelsat, Ltd., holds additional Section 214 authorizations through its Intelsat USA License Corp.<sup>3</sup>

(e) Not applicable.

(f) Not applicable.

(g) Not applicable.

(h) **Intelsat MTC LLC**

After completion of the transaction, the following entity will hold a ten percent (10%) or greater direct ownership interest in international Section 214 authorization holder Intelsat MTC LLC.

Name: Intelsat Government Solutions Corporation  
Address: 3400 International Drive, N.W.  
Washington, DC 20008  
Percentage Held: 100% equity

<sup>2</sup> Intelsat MTC LLC's direct parent company, Intelsat Government Solutions Corporation, intends to file an application for global facilities-based and resale 214 authorization.

<sup>3</sup> These Section 214 authorizations are a matter of public record. See *Lockheed Martin Corporation, COMSAT Corporation, and COMSAT Digital Teleport, Inc., Assignors, and Intelsat, Ltd., Intelsat (Bermuda) Ltd., Intelsat LLC, and Intelsat USA License Corp., Assignees, Applications for Assignment of Earth Stations and Wireless Licenses and Section 214 Authorizations and Petition for Declaratory Ruling*, DA 02-2254, Appendix B (Int'l Bur. and Wireless Bur. 2002)

Citizenship: USA  
Principal Business: Communications

The following entity will hold a direct ownership interest in Intelsat Government Solutions Corporation and a ten percent (10%) or greater indirect ownership interest in international Section 214 authorization holder Intelsat MTC LLC upon consummation of the proposed transaction.

Name: Intelsat USA Sales Corp.  
Address: 3400 International Drive, N.W.  
Washington, DC 20008  
Percentage Held: 100% equity  
Citizenship: USA  
Principal Business: Communications

The following entity will hold a direct ownership interest in Intelsat USA Sales Corp. and a ten percent (10%) or greater indirect ownership interest in Intelsat MTC LLC upon consummation of the proposed transaction.

Name: Intelsat Global Sales & Marketing Ltd.  
Address: Building 3, Chiswick Park  
566 Chiswick High Road  
London W4 5YA  
United Kingdom  
Percentage Held: 100% equity  
Citizenship: USA  
Principal Business: Communications

The following entity will hold a direct ownership interest in Intelsat Global Sales & Marketing Ltd. and a ten percent (10%) or greater indirect ownership interest in Intelsat MTC LLC upon consummation of the proposed transaction.

Name: Intelsat (Bermuda), Ltd.  
Address: North Tower, 2<sup>nd</sup> Floor  
90 Pitts Bay Road  
Pembroke, HM 08, Bermuda  
Percentage Held: 100% equity  
Citizenship: Bermuda  
Principal Business: Communications

The following entity will hold a direct ownership interest in Intelsat (Bermuda), Ltd. and a ten percent (10%) or greater indirect ownership interest in Intelsat MTC LLC upon consummation of the proposed transaction.

Name: Intelsat, Ltd.



Address: North Tower, 2<sup>nd</sup> Floor  
90 Pitts Bay Road  
Pembroke, HM 08, Bermuda  
Percentage Held: 100% equity  
Citizenship: Bermuda  
Principal Business: Communications

The following entity will hold a direct ownership interest in Intelsat, Ltd. and a ten percent (10%) or greater indirect ownership interest in Intelsat MTC LLC upon consummation of the proposed transaction.

Name: Lockheed Martin Corporation  
Address: 6801 Rockledge Drive  
Bethesda, MD 20817  
Percentage Held: Approximately 25% equity  
Citizenship: USA  
Principal Business: Systems Integrator/Aerospace/Defense

There are no persons or entities that will hold both a direct ownership interest in Lockheed Martin Corporation and a ten percent (10%) or greater indirect ownership interest in Intelsat MTC LLC upon consummation of the proposed transaction.

The following members of the Intelsat, Ltd. Board of Directors hold board positions with foreign carriers.

Dr. Hans Fjøsne  
Chief Technical Officer  
Telenor Broadcast (formerly Telenor Plus) and Telenor Satellite Broadcasting  
(Norway)

Mr. Cheikh-Tidiane Mbaye  
Chief Executive Officer, Sonatel S.A. (Senegal)  
Director of Sonatel Multimedia and Chairman of the Board of Sonatel Mobiles  
and Ikatel, all of which are subsidiaries of Sonatel S.A.

- (i) Intelsat MTC LLC certifies that it is not a foreign carrier and is not currently affiliated with any foreign carrier.
- (j) Intelsat MTC LLC certifies that it does not seek to provide international telecommunications services to any destination country where:
  - (1) Intelsat MTC LLC is a foreign carrier in that country; or
  - (2) Intelsat MTC LLC controls a foreign carrier in that country; or
  - (3) Any entity that owns more than 25 percent of Intelsat MTC LLC, or that controls Intelsat MTC LLC, controls a foreign carrier in that country; or

- (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Intelsat MTC LLC and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable. Intelsat MTC LLC has no foreign carrier affiliations and is therefore entitled to nondominant regulatory treatment on all routes
- (n) Intelsat MTC LLC certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, 47 C.F.R. §63.14(b), directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.
- (o) Intelsat MTC LLC certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862), that it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Intelsat MTC LLC requests streamlined processing of this application pursuant to Section 63.12 of the Commission's Rules. This Application qualifies for streamlined processing because Intelsat MTC LLC has no affiliations with a foreign carrier, has no affiliation with a dominant U.S. carrier whose international switched or private line services Intelsat MTC LLC seeks authority to resell, and does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services. The parties will not consummate the transaction until all other necessary Commission approvals are obtained.

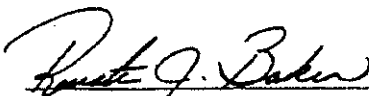
### CONCLUSION

For the reasons stated herein and in the simultaneously filed Petition for Declaratory Ruling Under Section 310 of the Communications Act of 1934, as amended, and Joint Application for Consent to Assignments, Intelsat MTC LLC and Lockheed Martin Global Telecommunications, LLC respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application for assignment of the international

Section 214 authorization held by Lockheed Martin Global Telecommunications, LLC to Intelsat  
MTC LLC.


Respectfully submitted,

**LOCKHEED MARTIN GLOBAL  
TELECOMMUNICATIONS, LLC**

By:   
Renata J. Baker, Assistant General Counsel  
Lockheed Martin Corporation  
6801 Rockledge Drive  
Bethesda, MD 20817  
Tel: 301-897-6914  
Fax: 301-897-6587

Dated: May 28, 2004

**INTELSAT MTC LLC**

By:   
Susan P. Miller, President  
3400 International Drive, N.W.  
Washington, DC 20006  
Tel: 202-944-7000  
Fax: 202-944-7860

**APPLICATION FOR ASSIGNMENT OF  
SECTION 214 AUTHORIZATION**

**EXHIBIT 1**

The attached documents provide a description of the parties to this application, the transaction, and the public interest demonstration.

- COMSAT General Corporation, Lockheed Martin Global Telecommunications, LLC, and COMSAT New Services, Inc. (“Assignors”) and Intelsat LLC and Intelsat MTC LLC (“Assignees”) Petition for Declaratory Ruling under Section 310 of the Communications Act of 1934, as Amended, and Joint Application for Consent to Assignments of Title II and Title III Authorizations (describes the parties and the transaction and provides a public interest demonstration)
  - Attachment 1: Lists of Title II and Title III Authorizations (identifies the licenses and authorizations that are part of this transaction).
  - Attachment 2: Assignment Applications (identifies the relevant FCC forms and applications that are being filed concurrently with this FCC Form 312).
  - Attachment 3: Ownership Information (provides the Assignees’ ownership information, including foreign ownership).

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )  
 )  
COMSAT General Corporation, Lockheed )  
Martin Global Telecommunications, LLC, )  
and COMSAT New Services, Inc., )  
 )  
Assignors, )  
 )  
and )  
 )  
Intelsat LLC and Intelsat MTC LLC, )  
 )  
Assignees, )  
 )  
Petition for Declaratory Ruling under Section )  
310 of the Communications Act of 1934, As )  
Amended, )  
 )  
and )  
 )  
Joint Application for Consent to Assignments )  
of Title II and Title III Authorizations. )  
 )

File No. \_\_\_\_\_

PETITION FOR DECLARATORY RULING UNDER SECTION 310 OF THE  
COMMUNICATIONS ACT OF 1934, AS AMENDED  
AND  
JOINT APPLICATION FOR CONSENT TO ASSIGNMENTS

INTELSAT LLC  
INTELSAT MTC LLC  
3400 International Drive, N.W.  
Washington, D.C. 20008  
(202) 944-6800

COMSAT GENERAL CORPORATION  
LOCKHEED MARTIN GLOBAL  
TELECOMMUNICATIONS, LLC  
COMSAT NEW SERVICES, INC.  
6801 Rockledge Drive  
Bethesda, MD 20817  
(301) 897-6914

May 28, 2004

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Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
	)	
COMSAT General Corporation, Lockheed	)	
Martin Global Telecommunications, LLC,	)	
and COMSAT New Services, Inc.,	)	
	)	
Assignors,	)	
	)	
and	)	
	)	File No. _____
Intelsat LLC and Intelsat MTC LLC,	)	
	)	
Assignees,	)	
	)	
Petition for Declaratory Ruling under Section	)	
310 of the Communications Act of 1934, As	)	
Amended,	)	
	)	
and	)	
	)	
Joint Application for Consent to Assignments	)	
of Title II and Title III Authorizations.	)	
	)	

**PETITION FOR DECLARATORY RULING UNDER SECTION 310 OF THE  
COMMUNICATIONS ACT OF 1934, AS AMENDED  
AND  
JOINT APPLICATION FOR CONSENT TO ASSIGNMENTS**

COMSAT General Corporation ("COMSAT General"), Lockheed Martin Global Telecommunications, LLC (formerly known as COMSAT Government Systems, LLC and Regulus, LLC) ("LMGT"), and COMSAT New Services, Inc. ("CNSI") (collectively, "COMSAT General Businesses" or "Assignors"), together with Intelsat LLC and Intelsat MTC



LLC (collectively, "Assignees") (jointly, "Applicants"),<sup>1</sup> submit this Application under Sections 214, 308, and 310(d) of the Communications Act of 1934 ("Communications Act") to request approval of the COMSAT General Businesses' assignment of certain Title III radio licenses and other assets to Intelsat LLC and certain Title III radio licenses, a Title II common carrier authorization, and other assets to Intelsat MTC LLC.<sup>2</sup> No assets or licenses being transferred relate to the provision of domestic services on a common carrier basis.

While the applications for approval of these assignments are intended to be complete, the licensees involved in this proposed transaction may have on file, and may file for, additional authorizations for new or modified facilities that the FCC may grant during the pendency of the

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<sup>1</sup> For purposes of this Application and Petition, Intelsat is defined as Intelsat, Ltd. and all of its subsidiaries.

<sup>2</sup> 47 U.S.C. §§ 214, 310 (2000). Attachment 1 identifies the licenses that are part of this assignment application and Attachment 2 identifies the relevant FCC forms and applications that are being filed concurrently with this narrative.

In addition, the Applicants request that the Commission treat its consideration of this Application as a "permit but disclose" proceeding for purposes of the agency's *ex parte* rules. See 47 C.F.R. §1.1200 *et seq.* Designation as a "permit but disclose" proceeding under Section 1.1206 would serve the public interest by enabling the Commission to review the full input from the Applicants and other interested parties, if any, on issues concerning the proposed acquisition of the assets of the COMSAT General Businesses by Intelsat. Moreover, Intelsat's previous applications to acquire U.S. licenses in connection with and following its privatization were given "permit but disclose" status by the agency. *Intelsat LLC Satellite Applications Accepted for Filing in the 3.420-4.200 GHz, 5.850-6.650 GHz, 10.950-11.200 GHz, 11.450-12.200 GHz, 12.500-12.750 GHz, 13.750-14.500 GHz Frequency Band*, Public Notice, DA No. 00-192 (Feb. 2, 2000); *Intelsat North America LLC, Loral Satellite, Inc. (Debtor-in-Possession), Loral SpaceCom Corporation (Debtor-in-Possession) and Loral Space & Communications Ltd. (Debtor-in-Possession) Seek Approval to Assign Certain Space Station Authorizations Held by Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corporation (Debtor-in-Possession) to Intelsat North America LLC*, Public Notice, DA 03-2672 (Aug. 15, 2003).

assignment applications. Accordingly, Applicants request that the grant of the assignment applications include authority for assignment to Intelsat LLC or Intelsat MTC LLC of:

- (1) any authorization issued to the COMSAT General Businesses during the pendency of the Commission's consideration of the assignment applications or during the period required for consummation of the assignment following approval; and
- (2) applications that will have been filed by the COMSAT General Businesses and that are pending at the time of consummation of the proposed assignment, including requests for special temporary authority concerning a new or existing facility associated with this transaction.

Such action would be consistent with prior Commission decisions.<sup>3</sup> Applicants also seek approval to transfer to Intelsat LLC or Intelsat MTC LLC any and all assets, licenses, and applications that are acquired by the COMSAT General Businesses prior to closing and that the parties have agreed to transfer.

Intelsat LLC and Intelsat MTC LLC, the Intelsat subsidiaries that will acquire the common carrier Title III licenses, also hereby request a declaratory ruling that their indirect foreign investment is consistent with the public interest standard under Section 310 of the Communications Act.<sup>4</sup>

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<sup>3</sup> *Lockheed Martin Global Telecommunications, COMSAT Corp., and COMSAT General Corp., Assignor, and Telenor Satellite Mobile Services, Inc. and Telenor Satellite, Inc., Assignee; Applications for Assignment of Section 214 Authorizations, Private Land Mobile Radio Licenses and Petition for Declaratory Ruling Pursuant to Section 310(b) of the Communications Act, Order and Authorization, 16 FCC Rcd 22897 (2001) ("Telenor/COMSAT Order"); PacifiCorp Holdings, Inc., Transferor, and Century Telephone Enterprises, Inc., Transferee, For Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc., Memorandum Opinion and Order, 13 FCC Rcd 8891, 8915-16 (1997); Pacific Telesis Group, Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer Control of Pacific Telesis Group and its Subsidiaries, Memorandum Opinion and Order, 12 FCC Rcd 2624, 2665 (1997).*

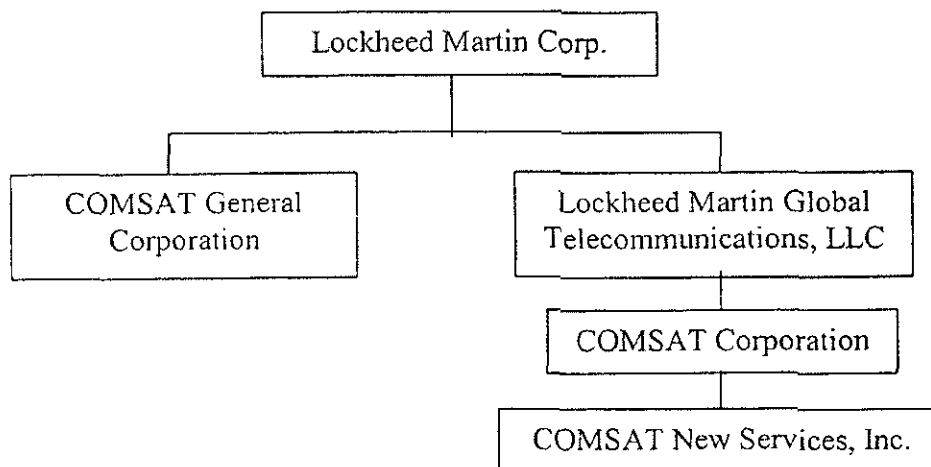
<sup>4</sup> 47 U.S.C. § 310.

## **I. DESCRIPTION OF THE ASSIGNORS AND ASSIGNEES/PETITIONERS**

### **A. Assignors: COMSAT General Corporation, Lockheed Martin Global Telecommunications, LLC, and COMSAT New Services, Inc.**

COMSAT General, a Delaware corporation, is a wholly owned subsidiary of Lockheed Martin Corporation ("Lockheed Martin"), a Maryland corporation and publicly traded U.S. company. LMGT, a Delaware limited liability company, is also a wholly owned subsidiary of Lockheed Martin Corporation. CNSI, a Delaware corporation, is a wholly owned subsidiary of COMSAT Corporation, a District of Columbia corporation, which in turn is a wholly owned subsidiary of LMGT. The COMSAT General Businesses provide integrated satellite-centric communications services to commercial and government users, including satellite capacity purchased from Intelsat and other operators. In addition, the COMSAT General Businesses provide value-added services such as bandwidth management and host nation agreement management. To support the COMSAT General businesses, COMSAT General and LMGT hold several FCC Title III licenses and an international Section 214 authorization. The COMSAT General Businesses provide no domestic common carrier services.

### **LOCKHEED MARTIN CORP. CORPORATE STRUCTURE**



**B. Assignees/Petitioners: Intelsat LLC and Intelsat MTC LLC**

Intelsat owns and operates a global satellite system that provides space segment capacity used for a wide array of communications services, including voice, video, data, and Internet connections. Intelsat's fleet of satellites offers service in more than 200 countries, serving customers that range from large telecommunications carriers and broadcasters to corporate networks and Internet service providers. Intelsat's customers include distributors that resell capacity, as well as customers that purchase capacity for their own use.

Intelsat LLC, the proposed holder of most of the Title III licenses in this transaction, already holds the majority of Intelsat's satellite licenses.<sup>5</sup> It is a Delaware limited liability company with a holding company ownership structure common to U.S.-licensed international satellite systems.<sup>6</sup> Intelsat LLC is wholly owned and controlled by Intelsat Holdings LLC ("Intelsat Holdings"), also a Delaware limited liability company. Intelsat Holdings, in turn, is wholly owned by Intelsat (Bermuda), Ltd., a company incorporated under the laws of Bermuda. Intelsat (Bermuda), Ltd. is wholly owned by Intelsat, Ltd., also a company incorporated under the laws of Bermuda.

Intelsat MTC LLC, the proposed holder of the international Section 214 authorization in this transaction and two of the Title III earth station authorizations, is a Delaware limited liability company with a U.S. holding company ownership structure similar to that of Intelsat LLC.

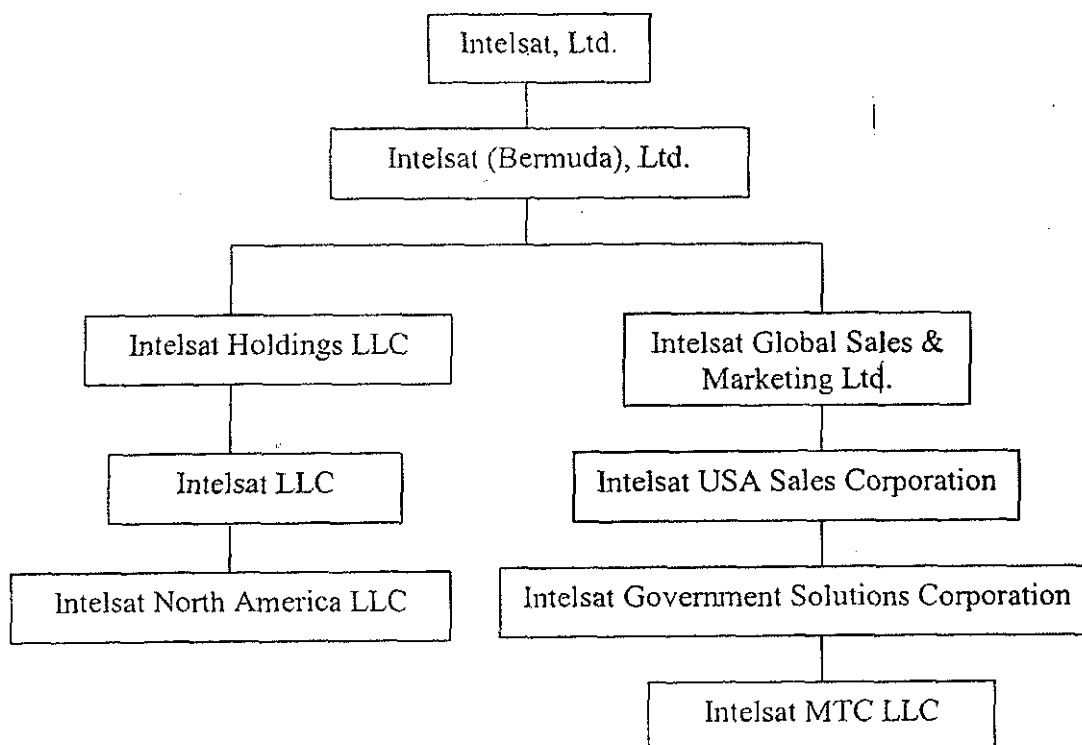
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<sup>5</sup> Intelsat North America LLC, a company that is wholly owned and controlled by Intelsat LLC, holds the remaining satellite licenses recently acquired from Loral Satellite, Inc. and Loral SpaceCom Corporation.

<sup>6</sup> A number of U.S.-licensed international telecommunications companies are organized as holding companies, including Loral Space and Communications Limited and SES Global, S.A.

Intelsat MTC LLC is wholly owned and controlled by Intelsat Government Solutions Corporation ("IGS"), a Delaware corporation. IGS is wholly owned by Intelsat USA Sales Corp., which is also a Delaware corporation. Intelsat USA Sales Corp. is, in turn, wholly owned by Intelsat Global Sales and Marketing Ltd., a company incorporated under the laws of England and Wales. Intelsat Global Sales and Marketing Ltd. is wholly owned by Intelsat (Bermuda), Ltd., which itself is wholly owned by Intelsat, Ltd. As noted above, Intelsat, Ltd. and Intelsat (Bermuda), Ltd., are both Bermuda companies.

#### INTELSAT, LTD. CORPORATE STRUCTURE



## II. DESCRIPTION OF THE TRANSACTION

Intelsat LLC and Intelsat MTC LLC propose to acquire certain assets of the COMSAT General Businesses, an end-to-end communications services integrator. The contemplated acquisition would occur under the terms of an Asset Purchase Agreement entered into on May

11, 2004 by and among COMSAT General, LMG, and CNSI and IGS, Intelsat MTC LLC, and Intelsat, Ltd. The total agreed purchase price is approximately \$100 million, including approximately \$40 million that may be paid in the form of ordinary shares of Intelsat, Ltd.<sup>7</sup> No customers will be negatively impacted by this transaction, and it will not result in Lockheed Martin obtaining control of Intelsat, Ltd. or any of its subsidiaries. Closing is contingent upon receipt of all necessary government approvals.

Upon the closing of the proposed transaction, the operating assets of the COMSAT General Businesses — including the licenses and authorizations at issue here — will be assigned to two wholly owned subsidiaries of Intelsat, Ltd. As noted in Attachment 1, Intelsat LLC will receive the private land mobile radio license, the geostationary satellite space station license, and six of the earth station licenses, and Intelsat MTC LLC will receive two of the earth station licenses and an international Section 214 authorization. Among other things, patents, facility leases, contracts, permits, causes of action, and real and personal property will also be transferred by this transaction.

### III. PUBLIC INTEREST ANALYSIS

The proposed transaction merits approval under Sections 214(a) and 310(d) of the Communications Act. Intelsat possesses all the requisite legal qualifications to hold FCC licenses and authorizations, and further, a grant of these applications would pose no impediment to Commission enforcement of any of the goals underlying the Communications Act.

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<sup>7</sup> Press Release, Intelsat, Intelsat Agrees to Acquire COMSAT General Business; Deal to Strengthen Intelsat's Government Solutions Business Unit, *available at* [http://www.intelsat.com/aboutus/press/release\\_details.aspx?year=2004&art=20040511\\_02\\_EN.xml&lang=en&footer=59](http://www.intelsat.com/aboutus/press/release_details.aspx?year=2004&art=20040511_02_EN.xml&lang=en&footer=59) (May 11, 2004).

#### A. Framework for Analysis

In considering this Application, the Commission must determine, pursuant to Section 214(a) and Section 310(d) of the Communications Act, whether the proposed assignments will serve the public interest.<sup>8</sup> In addition, because of the foreign ownership interests presented in this case, the Commission must also determine whether the proposed assignment of common carrier Title III radio licenses to Intelsat LLC and Intelsat MTC LLC is permissible under the foreign ownership provisions of Section 310 of the Communications Act.<sup>9</sup>

The legal standards that govern the Commission's public interest analysis for assignment of licenses and authorizations under Sections 214(a) and 310(d) require that it weigh the potential public interest harms against the potential public interest benefits to ensure that, on balance, the proposed transaction will serve the public interest, convenience, and necessity.<sup>10</sup> The Commission's analysis must consider the likely competitive effects of the proposed assignments

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<sup>8</sup> 47 U.S.C. §§ 214(a), 310(d).

<sup>9</sup> See 47 U.S.C. § 310(a), (b).

<sup>10</sup> See, e.g., *Application of VoiceStream Wireless Corporation, Powertel, Inc., Transferors, and Deutsche Telekom AG, Transferee, for Consent to Transfer Control of Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and for Declaratory Ruling Pursuant to Section 310 of the Communications Act*, Memorandum Opinion and Order, 16 FCC Rcd 9779, 9789 (2001) ("*VoiceStream/Deutsche Telekom Order*"). See also *AT&T Corp., British Telecommunications, plc, VLT Co. LLC, Violet License Co. LLC, and TNV (Bahamas) Limited, Applications for Grant of Section 214 Authority, Modification of Authorizations and Assignment of Licenses in Connection with the Proposed Joint Venture Between AT&T Corp. and British Telecommunications, plc*, Memorandum Opinion and Order, 14 FCC Rcd 19140, 19147 (1999) ("*AT&T/BT Order*"); *Motient Services Inc. and TMI Communications and Company, LP, Assignors, and Mobile Satellite Ventures Subsidiary LLC, Assignee*, Order and Authorization, 16 FCC Rcd 20469, 20473 (IB 2001) ("*Motient Services Order*").

and whether such assignments raise significant anti-competitive issues.<sup>11</sup> In addition, the Commission must consider the efficiencies and other public interest benefits that are likely to result from the proposed assignments.<sup>12</sup> Finally, the Commission must consider whether the proposed transaction presents national security, law enforcement, foreign policy, or trade policy concerns.<sup>13</sup>

## **B. Qualifications**

As an initial matter, the Commission must determine whether the Applicants are qualified to hold and assign licenses under Section 310(d) of the Communications Act and the Commission's rules. In making this determination, the Commission need not re-evaluate the qualifications of the assignor.<sup>14</sup> The Commission must, however, determine whether the proposed assignee is qualified to hold Commission licenses.<sup>15</sup> Section 310(d) requires that the Commission consider the qualifications of the proposed assignee as if the assignee were applying for the license directly under Section 308 of the Communications Act.<sup>16</sup>

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<sup>11</sup> See, e.g., *AT&T/BT Order*, 14 FCC Rcd at 19148.

<sup>12</sup> See, e.g., *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd at 9789.

<sup>13</sup> See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21 (1997) ("*Foreign Participation Order*"); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Order on Reconsideration, 15 FCC Rcd 18158 (2000).

<sup>14</sup> See, e.g., *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd at 9790.

<sup>15</sup> See 47 U.S.C. § 308; see also *Applications of AirTouch Communications, Inc., Transferor, and Vodafone Group, PLC, Transferee, For Consent to Transfer of Control of Licenses and Authorizations*, Memorandum Opinion and Order, File Nos. 0000003690 *et al.*, 14 FCC Rcd 9430, 9432-34 (WTB 1999).

<sup>16</sup> 47 U.S.C. § 308.



Intelsat is financially and technically qualified to hold the FCC licenses necessary to operate the COMSAT General Businesses.<sup>17</sup> Intelsat is a leading global provider of satellite communications services, supplying voice, video, and data communications. For 40 years, Intelsat (and its predecessor INTELSAT, the former intergovernmental treaty organization) has participated in all aspects of the international satellite communications business from system development to launch processing and network operations. Further, Intelsat has experience operating earth stations, including those that the Commission authorized the company to acquire from COMSAT Corporation in 2002.<sup>18</sup> The proposed Assignees will be able to draw on this experience and expertise in the future operation of the combined Intelsat-COMSAT General Businesses. In addition, Intelsat's annual sales revenue of approximately \$1 billion provides solid assurance that the company is financially qualified to operate the COMSAT General Businesses.

**C. Foreign Ownership – Petition for Declaratory Ruling Under Section 310(b)(4)**

The proposed transaction is consistent with both the public interest standard of Section 310(b)(4) of the Communications Act and Commission policy to encourage investment from entities based in World Trade Organization (“WTO”) member countries. The transaction also is

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<sup>17</sup> Section 308(b) of the Communications Act requires applicants seeking Commission consent to an assignment of FCC licenses to demonstrate their relevant technical and financial qualifications.

<sup>18</sup> *Lockheed Martin Corporation, COMSAT Corporation and COMSAT Digital Teleport, Inc., Assignors and Intelsat, Ltd., Intelsat (Bermuda), Ltd., Intelsat LLC, and Intelsat USA License Corp., Assignees Application for Assignment of Earth Station and Wireless Licenses and Section 214 Authorizations and Petitions for Declaratory Ruling, Order and Authorization*, 17 FCC Rcd 27732 (2002) (“COMSAT/Intelsat Order”).

consistent with Commission precedent authorizing Intelsat to hold U.S. common carrier satellite and earth station authorizations. The Commission therefore should find that the proposed assignment satisfies the statutory requirements.

**1. The FCC Established a Strong Presumption That Foreign Investment Serves the Public Interest**

Section 310(b)(4) of the Communications Act states:

(b) No broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by ... (4) any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.<sup>19</sup>

The statute plainly authorizes common carriers to accept up to 100 percent indirect foreign ownership unless the Commission finds that such ownership is not in the public interest. In general, the Commission has determined that indirect foreign investment in excess of the 25 percent benchmark fosters competition in the U.S. market, and thus promotes the public interest.<sup>20</sup>

The Commission analyzes proposed indirect foreign investment “guided . . . by the U.S. Government’s commitment under the [WTO] Basic Telecommunications Agreement, which seeks to promote global markets for telecommunications so that consumers may enjoy the benefits of competition.”<sup>21</sup> In implementing those commitments, the Commission has adopted a

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<sup>19</sup> 47 U.S.C. § 310(b)(4).

<sup>20</sup> *Foreign Participation Order*, 12 FCC Rcd at 23940.

<sup>21</sup> *Id.* at 23896, 23913, 23940.

strong presumption that indirect foreign ownership of telecommunications companies by entities from WTO countries serves the public interest by strengthening investment in—and thus the competitiveness of—the U.S. telecommunications marketplace.<sup>22</sup> Thus, even when an entity that controls a common carrier radio licensee is owned by entities from both WTO and non-WTO Member countries, the FCC permits 100 percent foreign ownership unless more than 25 percent is attributable to non-WTO Member countries.<sup>23</sup>

**2. The FCC Previously Has Determined That Intelsat Is Entitled to the Presumption That Its Expanded Entry Into the U.S. Marketplace Is in the Public Interest**

In 2000, when the Commission first approved Intelsat LLC as a U.S. satellite licensee, the agency determined that Intelsat is fully entitled to the benefit of the presumption that its expanded entry into the U.S. marketplace is in the public interest.<sup>24</sup> The Commission already has

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<sup>22</sup> *Id.* at 23940.

<sup>23</sup> *Id.* at 23940 n.225, 23946. *See also Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order, 11 FCC Rcd 3873, 3906 (1995) (finding “as a general matter that foreign carrier investments of 25 percent or less will not require application of the effective competitive opportunities test”), *modified in part, Foreign Participation Order*, 12 FCC Rcd 23891; *see also Global Crossing Ltd. and Frontier Corp., Applications for Transfer of Control Pursuant to Sections 214 and 310(d) of the Communications Act, as amended*, Memorandum Opinion and Order, 14 FCC Rcd 15911, 15917 (1999) (“*Global Crossing Transfer of Control*”) (allowing Global Crossing, a Bermuda company, to own indirectly common carrier radio licenses because “section 310(b)(4) is not otherwise implicated under the public interest analysis adopted in the *Foreign Participation Order* where, as here, non-WTO investment[s] in the ultimate parent company [do] not exceed 25 percent”); *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd 9779; *Application of General Electric Capital Corporation, Transferors, and SES Global, S.A. Transferees, for Consent to Transfer Control of Licenses and Authorizations Pursuant to Sections 214(a) and 310(d) of the Communications Act and Petition for Declaratory Ruling Pursuant to Sections 310(b)(4) of the Communications Act*, Order and Authorization, 16 FCC Rcd 17575 (2001) (“*GE/SES Merger Order*”); *Telenor/COMSAT Order*, 16 FCC Rcd 22897.

<sup>24</sup> *Applications of Intelsat LLC for Authority to Operate, and to Further Construct, Launch, and Operate C-band and Ku-band Satellites that Form a Global Communications System in*  
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approved the basic corporate structure and specific foreign ownership interests of the Assignees' parent company under Section 310(b)(4).<sup>25</sup> Indeed, the Commission has done so several times since the *Intelsat Licensing Order*.<sup>26</sup>

Most recently, in the *Loral/Intelsat Order*, the Commission held that Intelsat North America LLC, a wholly-owned U.S. subsidiary of Intelsat LLC, "is entitled to a rebuttable

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*Geostationary Orbit*, Memorandum Opinion Order and Authorization, 15 FCC Rcd 15460, 15482 (2000) ("*Intelsat Licensing Order*") ("Consistent with the *Foreign Participation Order* and the market-opening commitments made by the U.S. as a Signatory to the WTO Basic Telecom Agreement, we presume that indirect foreign ownership by WTO Members serves the public interest. No party in this proceeding rebuts this presumption and we are aware of no other reason to rebut the presumption here.") (internal citation omitted). The Commission further found that because the 9 percent non-WTO member ownership was well below the 25 percent statutory benchmark, there was no need to review the ownership of Intelsat LLC under the "effective competition opportunities" ("ECO") test set forth in the *Foreign Participation Order*. *Id.*

<sup>25</sup> Intelsat MTC LLC was specifically created for the purpose of holding various assets, licenses, and authorizations acquired through this transaction. Its ultimate parent company, Intelsat, Ltd., however, is the same company for which the Commission has already approved its foreign ownership interests. No significant changes have been made to Intelsat, Ltd.'s foreign ownership interests since these were approved in the *Loral/Intelsat Order*. *Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corporation (Debtor-in-Possession), Assignors and Intelsat North America, LLC, Assignee, Applications for Consent to Assignments of Space Station Authorizations and Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, 19 FCC Rcd 2404, 2415 (2004) ("*Intelsat/Loral Order*").

<sup>26</sup> See, e.g., *Applications of Intelsat LLC for Authority to Operate, and to Further Construct, Launch and Operate C-band and Ku-band Satellites that Form a Global Communications System in Geostationary Orbit*, Order and Reconsideration, 15 FCC Rcd 25234 (2000) ("*Intelsat Reconsideration Order*"); *Applications of Intelsat LLC for Authority to Operate, and Further Construct, Launch and Operate C-band and Ku-band Satellites that Form a Global Communications System in Geostationary Orbit*, Memorandum Opinion Order and Authorization, 16 FCC Rcd 12280 (2001) ("*Intelsat Privatization Order*"); *Application of Intelsat LLC to Modify Authorizations*, SAT-MOD-20011221-00140 (filed Dec. 21, 2001) (stamp grant by Jennifer Gilsenan, FCC, issued Mar. 22, 2002); *COMSAT/Intelsat Order*, 17 FCC Rcd at 27759.

presumption that its indirect foreign ownership, by and through Intelsat (Bermuda), Ltd. and Intelsat, Ltd., will not pose a risk to competition in the U.S. market that would justify denial of the proposed assignment” and further noted, “[t]here is no evidence in the record that would rebut this presumption.”<sup>27</sup> The Commission therefore concluded, “pursuant to Section 310(b)(4), that it will not serve the public interest to prohibit the proposed assignment.”<sup>28</sup>

### **3. The Current Assignees Are Entitled to the Same Public Interest Presumption**

Neither Intelsat’s corporate structure nor its ownership has changed materially since the most recent approval.<sup>29</sup> The Assignees, therefore, are entitled to the same presumption that the indirect foreign ownership will not pose a risk to competition in the United States and thus the proposed transaction will serve the public interest. As affirmed in the ownership information provided in Attachment 3, Lockheed Martin Corporation, a U.S. company and Intelsat’s largest minority shareholder, continues to hold more than 20 percent of the total Intelsat, Ltd. shares.<sup>30</sup> The remaining ownership interests in Intelsat, Ltd. remain widely dispersed among more than 220 entities, representing more than 145 nations.<sup>31</sup>

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<sup>27</sup> *Intelsat/Loral Order*, 19 FCC Rcd at 2415.

<sup>28</sup> *Id.*

<sup>29</sup> *See id.*

<sup>30</sup> The ownership information provided in Attachment 3 also reaffirms that Intelsat’s ownership and corporate structure has not materially changed since the FCC determined that its ownership structure complies with Section 310(b)(4) of the Communications Act. *See* Attachment 3.

<sup>31</sup> *Id.*

At the time of the *Intelsat Licensing Order*, approximately 91 percent of Intelsat shares were held by entities that had their principal place of business in nations that belong to the WTO.<sup>32</sup> Since that time, the degree of WTO adherence by Intelsat owners has increased: entities from WTO countries currently hold approximately 94 percent of Intelsat shares.<sup>33</sup> In addition, the total indirect foreign government ownership of Intelsat LLC is no higher than at the time of the *Intelsat Licensing Order*—approximately 30 percent.<sup>34</sup> The proposed expansion within the U.S. marketplace, therefore, should be afforded the same presumption, as applied to the prior transactions, that the transaction serves the public interest.

#### D. Competitive Effects

The Commission's public interest analysis under Sections 214(a) and 310(d) includes an evaluation of the competitive effects of the proposed transaction in both the relevant product

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<sup>32</sup> *Intelsat Licensing Order*, 15 FCC Rcd at 15480.

<sup>33</sup> See Attachment 3.

<sup>34</sup> See *id.*; see also *Intelsat Licensing Order*, 15 FCC Rcd at 15482. Moreover, because the Commission makes no distinction between government and private interests in granting the presumption to entities from WTO Member countries, the fact that several of Intelsat's foreign investors are government entities or have some government ownership is not relevant under *Deutsche Telekom* precedent—a determination that the agency repeatedly has reaffirmed in later cases. *GE/SES Merger Order*, 16 FCC Rcd at 17591 (citing *VoiceStream/Deutsche Telekom Order*, 16 FCC Rcd at 9811); *COMSAT/Telenor Order*, 16 FCC Rcd at 22910-11.

In addition, consistent with the FCC's *Intelsat Licensing* precedent, the fact that the Applicant is indirectly owned by a Bermuda holding company raises no public interest concerns. The State Department has concluded that the Agreement establishing the World Trade Organization applies to Bermuda, a dependent overseas territory of the United Kingdom, and the Commission already has determined that it will defer to the opinion of the State Department in this matter. See *Cable & Wireless USA, Inc., Application for Authority to Operate as a Facilities-based Carrier in Accordance with the Provisions of Section 63.18(e)(4) of the Rules between the United States and Bermuda*, Order Authorization and Certificate, 15 FCC Rcd 3050, 3052 (2000); see also *ARCOS-1 UAS, Inc., Application for Authority for a Transfer of Control of* (Continued...)

markets and the relevant geographic markets. In making this analysis, the Commission generally considers whether a proposed transaction would lessen or enhance competition in the provision of communications services in, to, or from the United States.

In previous cases, the FCC has concluded that Intelsat is entitled to the presumption that its acquisition of additional U.S.-licensed communications facilities will serve the public interest without harming competition.<sup>35</sup> The facts demonstrate that the presumption is fully warranted in the present case because the proposed transaction will deliver significant benefits to its customers without adversely affecting competition in U.S.-international satellite communications markets.

#### **1. The Proposed Transaction Will Benefit Consumers of Satellite Services**

Through the proposed transaction, Intelsat will enhance its ability to provide end-to-end satellite communications services to its customers. Notwithstanding Intelsat's continuing efforts to diversify its offerings and become a "one-stop-shop" private-sector competitor, Intelsat continues primarily to provide capacity services to its customers. In contrast, the COMSAT General Businesses currently sell integrated service packages, combining resale of satellite capacity with value-added services such as bandwidth management and host nation agreement management. Incorporating the COMSAT General Businesses' assets, customer base and expertise into Intelsat's businesses will allow the Assignees to offer its customers a greater range of end-to-end solutions to meet their international communications needs. In addition, the combination will yield considerable economies of scale and scope, enhancing Intelsat's ability to

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*a Cable Landing License*, Memorandum Opinion and Order, 15 FCC Rcd 17943 (2000).

<sup>35</sup> See *Intelsat Licensing Order*, *infra* note 24, 15 FCC Rcd at 15482.

provide high quality innovative services. The Commission has recognized the value of satellite providers offering customers the “full array of service options.”<sup>36</sup> Intelsat’s improved ability to offer integrated services to its customers will only enhance the dynamic competition in the U.S.-international communications marketplace.<sup>37</sup>

## **2. The Proposed Transaction Will Have No Adverse Effect on Competition**

There is no risk of competitive harm in this case that could possibly outweigh the benefits of the proposed transaction. FCC records across many recent proceedings are replete with data demonstrating that existing capacity is ample and that many satellite- and cable-based rivals compete vigorously for customers.<sup>38</sup> With respect to satellite capacity alone, Intelsat faces stiff competition for both commercial and government customers from a number of other global providers, including PanAmSat, New Skies, Eutelsat and SES Americom.<sup>39</sup> For example, to the

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<sup>36</sup> See *GE American Communications, Inc., CCC Merger Sub, Inc., and Columbia Communications Corp., Application for Consent to Transfer of Space Station Licenses of Columbia Communications Corporation*, Order and Authorization, 15 FCC Rcd 11590, 11594 (Int’l Bur., 2000).

<sup>37</sup> See *Satellite Communications: Strategic Approach Needed for DOD’s Procurement of Commercial Satellite Bandwidth*, GAO Report, 8 (Dec. 2003) (noting that competition exists in the satellite bandwidth market).

<sup>38</sup> See, e.g., *Intelsat Licensing Order*, 15 FCC Rcd at 15463; *In the Matter of Direct Access to the Intelsat System*, 14 FCC Rcd. 15703, 15725 (1999)(Report and Order); *The U.S. International Services Market; The Transition from Cartel to Competition*, International Bureau Telecommunications Division, at 5, (July 12, 2001); *GE/SES Merger Order*, 16 FCC Rcd at 17591-92, n.128.

<sup>39</sup> See Supplemental Response of SES Americom, Inc. to FCC Staff Additional Information Request, Applications of Verestar, Inc. (Debtor-In-Possession) and Verestar Networks, Inc. (Debtor-In-Possession) for Consent to Assignment of Licenses And Authorizations to SES AMERICOM, Inc., 2 (filed May 19, 2004) (acknowledging that the “supply of transponder capacity is so vast” and that the “U.S. satellite services/transponder leasing market...is an

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Applicants' knowledge, the COMSAT General Businesses' customers currently procure satellite capacity from all of these operators. Further, Intelsat's current and potential competitors include not only other satellite and terrestrial facilities-based rivals but also other resellers, including Intelsat distributors and wholesale customers, whose legal rights to resell Intelsat capacity for U.S.-international traffic will be unchanged by the transaction.<sup>40</sup> Competition also remains keen on the earth station side of the satellite communications business. Consequently, the proposed transaction will not confer upon Intelsat any power to foreclose or otherwise harm the robustly competitive international communications marketplace.

Furthermore, as evidenced by the sale of COMSAT World Systems to Intelsat, Lockheed Martin is in the process of exiting the business of providing telecommunications services. This

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extraordinarily competitive marketplace"). See also *Operators Chase Government Users*, Satellite News (Mar. 17, 2003) (SES official stated that "Eutelsat ... has the good fortune to have satellites able to serve the Middle East when such capacity came into high demand"); Americom Government Services 2002 Analyst Briefing, at 39, available at [http://ses-global.com/ir/downloads/Analyst\\_20020626/Americom.pdf](http://ses-global.com/ir/downloads/Analyst_20020626/Americom.pdf) (last visited Sept. 19, 2003); Americom Government Services Awarded Federal GSA Schedule, Press Release, (Mar. 10, 2003), available at [http://www.ses-amicom.com/media/2003/03\\_10\\_03.html](http://www.ses-amicom.com/media/2003/03_10_03.html) (last visited Sept. 19, 2003) (stating that SES currently occupies a "preeminent position" in the U.S. Federal Government contracts business).

<sup>40</sup> In evaluating proposed acquisitions, the FCC examines whether the acquisition will increase the ability or incentive of the acquirer to affect competition adversely in any downstream end-user market by raising costs for its competitors. *Teleport Communications Group Inc. and AT&T Corp., for Consent to Transfer Control of Corporations Holding Point-to-Point Microwave Licenses*, 13 FCC Rcd 15236, 15260 (1998) (Memorandum Opinion and Order) ("Teleport Communications Group"); *Merger of MCI Communications and Corporation and British Telecommunications plc*, 12 FCC Rcd 15351 (1997) (Memorandum Opinion and Order). The agency has determined that an integrated firm's ability to engage in anti-competitive strategies is substantially reduced when rivals of the merged firm have adequate alternative sources of supply. See *Teleport Communications Group*, 13 FCC Rcd at 15260.

transaction is a step towards that objective.<sup>41</sup> In contrast, Intelsat is expanding its role as a provider of end-to-end communications. Under these circumstances, there will be no significant reduction in competition. Rather, an existing business will simply transfer in its entirety from one who desires to leave this industry to one who is looking to compete more vigorously in it, thus promoting the public interest.

#### **E. The ORBIT Act**

The transaction proposed here will further U.S. policy embodied in the ORBIT Act.<sup>42</sup> U.S. policymakers worked for years to ensure Intelsat's transformation from an intergovernmental organization into a competitor that will function like its private-sector rivals. Specifically, in advocating privatization, Congress emphasized the importance of transforming Intelsat into "a commercial structure comparable to that of any of the existing satellite entities."<sup>43</sup> The transaction proposed here is fully consistent with that stated objective. By purchasing the COMSAT General Businesses' assets, Intelsat will be better able to provide the end-to-end, integrated services its rivals currently offer to its customers.

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<sup>41</sup> See Press Release, Lockheed Martin Corporation, Lockheed Martin's COMSAT General to be Acquired by Intelsat (May 11, 2004) (available at <http://www.lockheedmartin.com/wms/findPage.do?dsp=fec&ci=15000&rsbcj=0&fti=112&ti=0&sc=400>) (noting that "[t]his transaction is consistent with our intent to focus on core businesses and monetize valuable assets that are not elements of our long-term strategy").

<sup>42</sup> *Open-Market Reorganization for the Betterment of International Telecommunications Act*, Pub. L. No. 106-180, 114 Stat. 48 (March 17, 2000) ("ORBIT Act").

<sup>43</sup> *Open-Market Reorganization for the Betterment of International Telecommunications Act*, Report of the Committee of Commerce, Science, and Transportation on S. 376, S. Rep. No. 106-100, at 1-2 (1999).

**F. National Security, Law Enforcement, Foreign Policy, and Trade Policy**

In its *Foreign Participation Order*, the Commission noted, “Executive Branch concerns regarding national security, law enforcement, foreign policy, and trade policy are legitimately addressed under the Section 310(b)(4) public interest analysis.”<sup>44</sup> If the Federal Bureau of Investigation, the Department of Justice, and the Department of Homeland Security (collectively, the “Executive Branch Agencies”) raise such concerns, the FCC will defer to these agencies’ expertise and recommendations.<sup>45</sup> Only in “very rare circumstances” not present here, however, could such considerations outweigh the strong presumption in favor of open entry.<sup>46</sup> Instead, concerns are resolved, if necessary, through agreements with the Executive Branch Agencies, which may be incorporated as conditions to the FCC’s grant of authority—not through denial of the proposed transaction.

Both the prior COMSAT/Intelsat transaction and the recent Loral/Intelsat transaction demonstrate that Intelsat’s acquisition of U.S. licenses does not pose the type of threat that would warrant a finding that the proposed transaction is not consistent with the public interest standard of Section 310(b)(4). In the *COMSAT/Intelsat Order*, the Commission “conclude[d] that the proposed transaction pose[d] no national security, law enforcement, foreign policy, or trade

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<sup>44</sup> *Foreign Participation Order*, 12 FCC Rcd at 23940-41.

<sup>45</sup> *Id.* at 23915.

<sup>46</sup> *Id.* at 23940-41 (noting that “Executive Branch concerns regarding national security, law enforcement, foreign policy and trade policy are legitimately addressed under the Section 310(b)(4) public interest analysis” and concluding that “such concerns will be raised only in very rare circumstances”).

policy concerns.”<sup>47</sup> This conclusion was based on the record and certain commitments made by Intelsat to the DOJ and FBI in a side letter agreement.<sup>48</sup> Moreover, as the Commission noted in the *Loral/Intelsat Order*, “The Executive Agencies also recognize ... that Intelsat, Ltd.’s executive management is dominated by U.S. citizens and that the largest shareholder of Intelsat, Ltd., is Lockheed Martin, a publicly traded U.S. defense company controlled by U.S. investors.”<sup>49</sup>

In addition, these prior transactions prove that Intelsat is committed to working with the Executive Branch Agencies to resolve any concerns. In the *Loral/Intelsat* transaction, the parties satisfied the Executive Branch Agencies’ concerns through the negotiation of corporate by-law amendments, Board resolutions, and a side letter agreement. As a result of this collaboration and the Commission’s decision to make compliance with the amendments, resolutions, and agreement a condition to its grant of authority, the Executive Branch Agencies did not object to the transaction.<sup>50</sup>

In certain cases, a foreign applicant will need to negotiate and enter into a network security agreement (“NSA”) with the Executive Branch Agencies.<sup>51</sup> As demonstrated by the

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<sup>47</sup> *COMSAT/Intelsat Order*, 17 FCC Rcd at 27763.

<sup>48</sup> *Id.*

<sup>49</sup> *Intelsat/Loral Order*, 19 FCC Rcd at 2422.

<sup>50</sup> *Id.* at 2423.

<sup>51</sup> See, e.g., *Space Station System Licensee, Inc. and Iridium Constellation LLC for Consent to Assignment of License Pursuant to Section 310(d) of the Communications Act*, Memorandum Opinion Order and Authorization, 17 FCC Rcd 2271 (Int’l Bur. 2002); *Motient Services Order*, 16 FCC Rcd 20469; *Deutsche Telekom/VoiceStream Order*, 16 FCC Rcd 9779; *DiGiPH PCS, Inc. and Eliska Wireless Ventures License Subsidiary I, L.L.C. For Consent to Assign Eight C*  
(Continued...)

prior transactions, however, the Executive Branch Agencies do not insist that all applicants with foreign ownership negotiate and enter into NSAs. Should it be deemed necessary in this case, the Applicants will work with the Executive Branch Agencies to reach an appropriate agreement.

#### IV. CONCLUSION

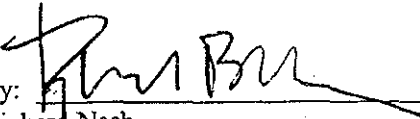
For the reasons set forth above, the proposed acquisition by Intelsat of the COMSAT General Businesses, including the COMSAT General and LMGT licenses and authorizations listed in Attachment 1, would be in the public interest and fully consistent with Sections 214, 308, and 310 of the Communications Act. Intelsat LLC, Intelsat MTC LLC, and the COMSAT General Businesses accordingly request that the Commission consent to these assignments and grant the requested declaratory ruling under Section 310(b)(4).


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(...Continued)

*Block Personal Communications Services Licenses and Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, As Amended and For Consent to Assign an International Section 214 Authorization, Memorandum Opinion and Order, 15 FCC Rcd 24501 (2000); Vodafone Airtouch, PLC, and Bell Atlantic Corp. For Consent to Transfer of Control or Assignment of Licenses and Authorizations, Memorandum Opinion and Order, 15 FCC Rcd 16507 (2000).*

Respectfully submitted,

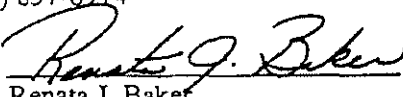
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